

Testimony of Tom Swan

Executive Director of the CT. Citizen Action Group (CCAG)

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In Support of SB 11

Good Afternoon, Senator Crisco, Representative Megna, and other members of the Insurance and Real Estate Committee my name is Tom Swan and I am the Executive Director of the Connecticut Citizen Action Group (CCAG). On behalf of CCAG's over 20,000 member families I want to commend you for raising SB 11 AAC the Rate Approval Process for Health Insurance Policies.

Last year's events around Anthem's proposed increases in rates reminded us of the importance of having a rate review process and the need for us to strengthen our laws to ensure that consumers do not continue to be ripped off by health insurance companies. Anthem's actions last year proved that health insurance companies are very much like the old adage about cats licking themselves. That without a strong rate review process insurers will raise rates because they can.

As we approach the first anniversary of the Affordable Care Act we should acknowledge how it has provided additional tools, resources, and incentives for states to protect consumers from health insurance companies' greedy practices.

Our main concern with the Committee Draft of the legislation is the out to the hearing process for individual market products as long as the filing is accompanied by a loss ratio guarantee and a method for reimbursing policy holders is the ratio is not met. We think this could be a factor, but not an out.

For us the key components of the review process need to include:

- Rates cannot go into effect unless they have been approved.
- There should be standard consumer friendly filings that are disclosed on-line justifying any proposed increases.
- Proposed rate increases must include a public notice and a public comment period.
- The standard for review to approve or disapprove rates must be based on a range of factors, including company profits, surplus, rate increase history and affordability for consumers
- Protections for consumers insured under policies no longer being sold.
- At least 60 notice before any increase becomes effective.
- Hearings on both individual and group markets rate changes.
- The ability for consumer, the Health Care Advocate, and the Attorney General to participate, including intervener status, in the hearings.

Once again, thank you for introducing this legislation and we look forward to working with you to make it a reality.